

2009 DRAFTING REQUEST

Bill

Received: **01/19/2009**

Received By: **mkunkel**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Willing**

This file may be shown to any legislator: **NO**

Drafter: **mkunkel**

May Contact:

Addl. Drafters:

Subject: **Higher Education - UW System**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Willing, BAB0003 -

Topic:

UW Hospital and Clinics Authority medicaid settlement

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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/P1	mkunkel 01/20/2009	csicilia 01/22/2009	jfrantze 01/22/2009	_____	cduerst 01/22/2009		

FE Sent For:

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Adjustment

2009-11 Budget Bill Statutory Language Drafting Request

- Topic: Non-Stat Language Lapse from UW to General Fund-Budget Adjustment Bill
- Tracking Code: BAB0003
- SBO team: Health and Insurance
- SBO analyst:
 - Phone: Krista Willing
 - Email: krista.willing@wisconsin.gov
- Agency acronym: DHS
- Agency number: 435
- Priority (Low, Medium, High): High

Intent: **This is for a Budget Adjustment Bill**

Create non-statutory language that requires the UW Hospital and Clinics Authority to lapse to the General Fund \$49,000,000 by the end of Fiscal Year 2009.

Just for your information- We are requesting this lapse because DHS is making a Cost Settlement payment to UW Hospital. Please let me know if you have any questions.

Thanks.

Palchik, Laurie A - DOA

From: Gauger, Michelle C - DOA
Sent: Friday, December 05, 2008 10:53 AM
To: Palchik, Laurie A - DOA
Subject: RE: Additional Medicaid Revenue for Costs at UW Hospital
Attachments: image001.gif, image002.gif, image003.gif

From: Kunkel, Mark [mailto:Mark.Kunkel@legis.wisconsin.gov]
Sent: Friday, December 05, 2008 10:25 AM
To: Palchik, Laurie A - DOA
Subject: RE: Additional Medicaid Revenue for Costs at UW Hospital

After talking to another attorney here (Rick Champagne), I think the approach I mentioned below is the way to go. We can create a nonstat provision that directs UWHCA to pay to the state a certain amount of money from moneys identified by a date certain. **We'll need your input on how to identify the moneys.** Under s. 20.906 (1), these moneys paid to the state will automatically be deposited in the general fund and are then available for appropriation for any purpose.

Here's the text of s. 20.906(1): "Frequency of deposits. Unless otherwise provided by law, all moneys collected or received by any state agency for or in behalf of the state or which are required by law to be turned into the state treasury shall be deposited in or transmitted to the state treasury at least once a week and also at other times as required by the governor or the secretary of administration and shall be accompanied by a statement in such form as the secretary of administration may prescribe showing the amount of such collection and from whom and for what purpose or on what account the same was received. ***All moneys paid into the treasury shall be credited to the general purpose revenues of the general fund unless otherwise specifically provided by law.***" (Emphasis added.)

Mark

From: Kunkel, Mark [mailto:Mark.Kunkel@legis.wisconsin.gov]
Sent: Thursday, December 04, 2008 3:55 PM
To: Palchik, Laurie A - DOA
Subject: RE: Additional Medicaid Revenue for Costs at UW Hospital

I'm still looking at this, but it appears that an appropriation might not be necessary. Instead, why not just command (via a nonstat) that the Authority pay the money to the state for deposit in the general fund?

I'll get back to you further on this tomorrow, if that's okay.

— Mark

From: Palchik, Laurie A - DOA [mailto:laurie.palchik@wisconsin.gov]
Sent: Thursday, December 04, 2008 10:33 AM
To: Kunkel, Mark
Subject: FW: Additional Medicaid Revenue for Costs at UW Hospital

Hi Mark,

Below is the email with a little more depth and our question of how the revenue could be transferred to the general fund. Just let me know if you need anything else and thank you for the help.

Laurie A. Palchik
 Executive Policy and Budget Analyst
 Division of Executive Budget and Finance
 Department of Administration

12/9/2008

608-266-2214 (w); 608-267-0372 (f)

From: Gauger, Michelle C - DOA
Sent: Friday, November 21, 2008 7:47 AM
To: Moyer, Andrew - DOA
Cc: Willing, Krista - DOA; Palchik, Laurie A - DOA; Steinmetz, Jana D - DOA; Kraus, Jennifer - DOA; Schmiedicke, David P - DOA
Subject: Additional Medicaid Revenue for Costs at UW Hospital

Good morning, Andrew,

DHS has come up with a plan to claim cost settlements for Medicaid deficits at UW Hospital between the years of 1999 and 2006, which would result in increased federal revenues of \$29 million in FY 2009. Needless to say, we can use the money. Because federal rules generally limit claims to costs incurred within 2 years, there are restrictions on how the federal funding can be claimed.

- 1) UW Hospital must request the cost settlement from DHS. DHS has been in contact with the Gary Eiler and other financial staff regarding this issue and I hear that the hospital is willing to do this.
- 2) DHS must make a total payment of \$49,025,548 to UW Hospital, which will be \$19,938,774 of state funding and \$29,086,774 of federal funding. We can provide the state share in two ways:
 - Request that UW Hospital send DHS the money first, which is an inter-governmental transfer of \$20 million, or
 - Appropriate GPR
- 3) The next issue is getting the money back out of UW Hospital, which will either be \$29 million or \$49 million, depending on how the payment was made.
 - UW Hospital does have one appropriation in chapter 20 for "contractual services" that could be used to lapse money into the general fund at the end of the fiscal year, assuming we have language in place to require the lapse. The hospital will need a justification for this lapse to meet financial certification requirements since their accounts can't have a \$50 million unexplained expenditure. I'm not sure what they will feel comfortable with and DHS has not discussed this with the hospital staff.
 - The money could be moved from UW Hospital to the university and then lapsed from UW-Madison. This, again, would require some reason UW-Hospital is paying those funds to the university and would require coordination with university administration and staff.
 - UW Hospital could retain the funding in exchange for reductions in other payments. The hospital does receive money from Corrections for care provided to state inmates, but it is only \$10-12 million per year so it would take at least 3 years to offset the payment. I am not sure what other large amounts of state money we may be providing to the hospital, if any, but I will look into it.
 - Laurie Palchik is going to talk to DOA legal on Monday to see if he has any other ideas on this.

We do not need any action taken immediately, but I wanted you informed that we are working on this. Let me know if you have any questions.

Michelle

12/9/2008



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1620/P1

MDK:/.....

gs

1-20-09

DOA:.....Willing, BAB0003 - UW Hospital and Clinics Authority medicaid settlement

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

Do NOT Gen

1 AN ACT ...; relating to: the budget.

the

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT ✓

OTHER STATE GOVERNMENT ✓

This bill requires the UW Hospital and Clinics Authority to pay, no later than June 30, 2009, \$49,000,000 to state for deposit into the general fund.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows: ✓

2 SECTION 9152. Nonstatutory provisions; University of Wisconsin
3 Hospitals and Clinics Authority.

SECTION 9152

the

1 (1) PAYMENT TO STATE. No later than June 30, 2009, University of Wisconsin
2 Hospitals and Clinics Authority shall pay to the state, for deposit in the general fund,
3 an amount equal to \$49,000,000.

4 (END)



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1620/P1
MDK:cjs:jf

DOA:.....Willing, BAB0003 - UW Hospital and Clinics Authority medicaid
settlement

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